

# EXHIBIT 1

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 24-12480 (LSS)  
(Jointly Administered)

Re: D.I. 978

**STIPULATION STAYING MOTION OF OPCO 2L AGENT  
AND AD HOC GROUP OF SECOND LIEN LENDERS FOR ALLOWANCE OF  
A SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIM**

This stipulation (this “Stipulation”) is made and entered into by and among: (a) the above-captioned debtors and debtors in possession (collectively, the “Debtors”); (b) the OpCo 2L Agent (as defined in the *Motion of OpCo 2L Agent and Ad Hoc Group of Second Lien Lenders for Allowance of a Superpriority Administrative Expense Claim* [Docket No. 978] (the “Motion”)); (c) the OpCo 2L Secured Parties (as defined in the Motion); (d) the OpCo 1L Lenders (as defined in the Motion); and (e) the Official Committee of Unsecured Creditors. The Debtors, the OpCo 2L Agent,

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<sup>1</sup> The debtors in these Chapter 11 Cases (the “**Debtors**”), along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), B. Riley Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home and Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing, LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

the OpCo 2L Secured Parties, the OpCo 1L Lenders, and the Official Committee of Unsecured Creditors are referred to herein, collectively, as the “Parties”. In support of the Stipulation, the Parties respectfully state as follows:

WHEREAS, on November 3, 2024, the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code before this Court;

WHEREAS, on February 13, 2025, the OpCo 2L Agent and OpCo 2L Secured Parties filed the Motion;

WHEREAS, on March 11, 2025, the Court entered the *Order Approving Proposed Stipulated Scheduling Order* [Docket No. 1086] (the “Scheduling Order”) setting forth a schedule of discovery and briefing deadlines related to the Motion and plan confirmation as agreed to by the Debtors, the Freedom Lender Group, the Ad Hoc Group of First Lien Lenders, and the Official Committee of Unsecured Creditors;

WHEREAS, paragraph (c) of Exhibit A to the Scheduling Order provides that, among other things, the deadline to file objections to plan confirmation and the Motion is April 23, 2025 and the deadline to file replies in support of plan confirmation and the Motion is May 7, 2025; and

WHEREAS, following arm’s-length negotiations, on April 17, 2025, the Debtors, the Freedom Lender Group, the Ad Hoc Group of First Lien Lenders, and the Official Committee of Unsecured Creditors have agreed to a term sheet reflecting a global settlement in principle that will be given effect through an amended plan [Docket No. 1290] (the “Term Sheet”);

NOW, THEREFORE, it is hereby stipulated and agreed that:

1. All deadlines related to the Motion and plan confirmation set forth in Exhibit A to the Scheduling Order shall be stayed and held in abeyance until such time as a revised schedule is agreed to by the Parties or further ordered by the Court. The Parties reserve all rights with respect

to plan confirmation, the Motion and any revised schedule in the event that the deal envisioned by the Term Sheet is not implemented.

2. Pending approval of this Stipulation by the Court, each of the Parties agrees that they will be bound by this Stipulation and waives any right to object to approval by the Court.

3. The Court shall retain jurisdiction over all matters arising from or related to the implementation, interpretation, and enforcement of this Stipulation and the order approving it.

Dated: May 5, 2025  
Wilmington, Delaware

Respectfully submitted,

**OPCO 2L SECURED PARTIES**

/s/ Michael J. Farnan

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